



City of Savannah, Georgia
2015 SERVICE PROGRAM
AND BUDGET
2015-2019 Capital Improvement Program

FINANCIAL
UPDATE



Financial Update 12-31-2014



- City of Savannah external financial audit is complete.
 - ❖ Received an unmodified opinion from auditors
- Comprehensive Annual Financial Report (CAFR) has been produced and distributed to City Council and other stakeholders
 - ❖ State Dept of Audits
 - ❖ Federal Audit Clearinghouse
 - ❖ Government Finance Officers Association
 - Certificate of Achievement for Excellence in Financial Reporting

What is a CAFR?

- It is not the budget, which presents planned revenues and expenditures of certain funds.
- The CAFR reports the actual financial condition of the government based on what actually happened. Unlike the budget, the CAFR reports all the funds of the City.
- The CAFR is prepared under the accounting and reporting standards outlined by the Government Accounting Standards Board (GASB).
- It is an audited report.
- The Comprehensive Annual Financial Report is divided into three sections:
 - **The Introductory Section** includes information about the City's organizational structure, the principal officials, and summarized data reflecting the financial condition of the City, including an analysis of the general government operations, enterprise operations, debt administration, and investment portfolio.
 - **The Financial Section** includes the independent auditors' report, the management discussion and analysis (MD&A), the basic financial statements, and notes to the financial statements. The basic financial statements include columns of aggregate data that have been summarized from the more detailed statements which follow.
 - **The Statistical Section** includes selected financial data trends of the City and its operations, along with local demographic and economic information that may be of interest to potential investors of our bonds and to other readers. The data also reflects 10-year revenue and expenditure information for various categories of City operations.

2014 General Fund Summary Performance

CITY OF SAVANNAH, GEORGIA				
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL				
GENERAL FUND				
YEARS ENDED DECEMBER 31				
	2013 ACTUAL	2014 ORIGINAL BUDGET	2014 ACTUAL	2014 VARIANCE WITH BUDGET
REVENUES:				
Total revenues	165,908,120	165,323,473	170,448,735	5,125,262
EXPENDITURES:				
Total expenditures	160,068,651	166,773,217	162,510,837	4,262,380
Excess (deficiency) of revenues over (under) expenditures	5,839,469	(1,449,744)	7,937,898	9,387,642
OTHER FINANCING SOURCES (USES):				
Transfers in	7,605,715	7,929,800	8,707,382	777,582
Transfers out	(13,061,493)	(6,480,056)	(15,746,003)	(9,265,947)
Total other financing sources (uses)	(5,455,778)	1,449,744	(7,038,621)	(8,488,365)
Net change in fund balance	\$ 383,691	\$ -	899,277	\$ 899,277
FUND BALANCE - JANUARY 1			33,885,347	
FUND BALANCE - DECEMBER 31			\$ 34,784,624	
		Unassigned Fund Balance	\$ 32,510,102	
		Unassigned Fund Balance as a percent of total 2014 General Fund Expenditures and Transfers Out	18.2%	
		Government Finance Officers Association Recommended Unassigned Fund Balance	16.7%	

General Fund Actual Results

- Actual revenues were \$5,125,262 higher than the 2014 original budget or 3.1%

CITY OF SAVANNAH, GEORGIA					
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL					
GENERAL FUND					
YEARS ENDED DECEMBER 31					
	2013 ACTUAL	2014 ORIGINAL BUDGET	2014 ACTUAL	2014 VARIANCE WITH BUDGET	
REVENUES:					
Property taxes	\$ 60,693,447	\$ 59,367,700	\$ 62,594,332	\$ 3,226,632	
Intangible, transfer and franchise taxes	19,014,466	19,249,450	19,369,339	119,889	
General sales tax	36,115,270	34,000,000	37,198,220	3,198,220	
Selective sales taxes	4,074,071	4,025,000	4,525,813	500,813	
Business taxes	7,668,837	7,730,000	8,046,618	316,618	
Penalties and interest on delinquent taxes	1,215,894	750,000	919,716	169,716	
Licenses and permits	1,839,524	1,821,000	1,914,376	93,376	
Inspection fees	2,399,426	2,338,656	2,683,264	344,608	
Intergovernmental revenue	1,796,896	1,584,252	1,543,493	(40,759)	
Charges for services	23,023,206	25,903,413	23,220,272	(2,683,141)	
Indirect cost allocations	4,329,022	4,662,103	4,662,103	0	
Fines and forfeitures	2,751,900	2,830,000	2,753,028	(76,972)	
Investment income	4,301	50,400	10,409	(39,991)	
Miscellaneous revenue	981,860	1,011,499	1,007,752	(3,747)	
Total revenues	165,908,120	165,323,473	170,448,735	5,125,262	

City of Savannah Property Tax

City of Savannah, Georgia
Taxable Assessed Values of Property
Last Ten Fiscal Years
(amounts expressed in thousands)

Total				
Fiscal Year	Assessed Value	Change in Value	Total Direct Tax Rate	
2005	\$ 3,593,557	12.3%	12.90	
2006	4,102,072	14.2%	12.70	
2007	4,610,615	12.4%	12.50	
2008	4,986,597	8.2%	12.50	
2009	5,010,250	0.5%	12.50	
2010	4,768,480	-4.8%	13.00	
2011	4,539,928	-4.8%	12.50	
2012	4,535,627	-0.1%	12.50	
2013	4,603,176	1.5%	12.48	
2014	4,751,473	3.2%	12.48	



City of Savannah Property Tax Levy and Collections

City of Savannah, Georgia Property Tax Levies and Collections, Last Ten Fiscal Years

Fiscal Year	Total Levy	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage	Amount	Percentage
2005	\$ 44,905,647	\$ 40,996,707	91.3%	\$ 44,869,839	99.9%
2006	50,636,416	45,646,009	90.1%	50,573,368	99.9%
2007	57,029,874	51,966,832	91.1%	56,843,449	99.7%
2008	61,196,939	53,992,912	88.2%	60,832,087	99.4%
2009	63,355,201	53,862,308	85.0%	62,987,129	99.4%
2010	62,969,871	54,681,460	86.8%	62,553,572	99.3%
2011	58,361,303	51,491,991	88.2%	57,877,122	99.2%
2012	57,603,609	52,436,392	91.0%	57,002,146	99.0%
2013	57,477,943	52,608,040	91.5%	56,650,195	98.6%
2014	58,399,742	53,648,991	91.9%	53,648,991	91.9%

City of Savannah Property Tax



City of Savannah, Georgia Principal Property Taxpayers,				
		2014		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Power Company	Electric Utility	\$ 50,824,401	1	1.07%
Oglethorpe Mall, LLC	Regional Shopping Mall	31,691,398	2	0.67%
Home Depot	Distribution Center	29,899,234	3	0.63%
Gulfstream Aerospace Corporation	Airplane Manufacturer	29,778,411	4	0.63%
International Paper Company	Paper Manufacturer	29,517,958	5	0.62%
Columbia Properties Savannah	Regional Shopping Mall	28,720,000	6	0.60%
HH Savannah LLC	Hyatt Hotel	25,733,144	7	0.54%
Dollar Tree Stores Inc.	Distribution Center	19,373,997	8	0.41%
CWT Savannah Hotel LLC	Westin Hotel	18,976,520	9	0.40%
Oglethorpe Associates	Hampton Inn and Suites	16,426,760	10	0.35%
Totals		<u>\$ 280,941,823</u>		<u>5.91%</u>

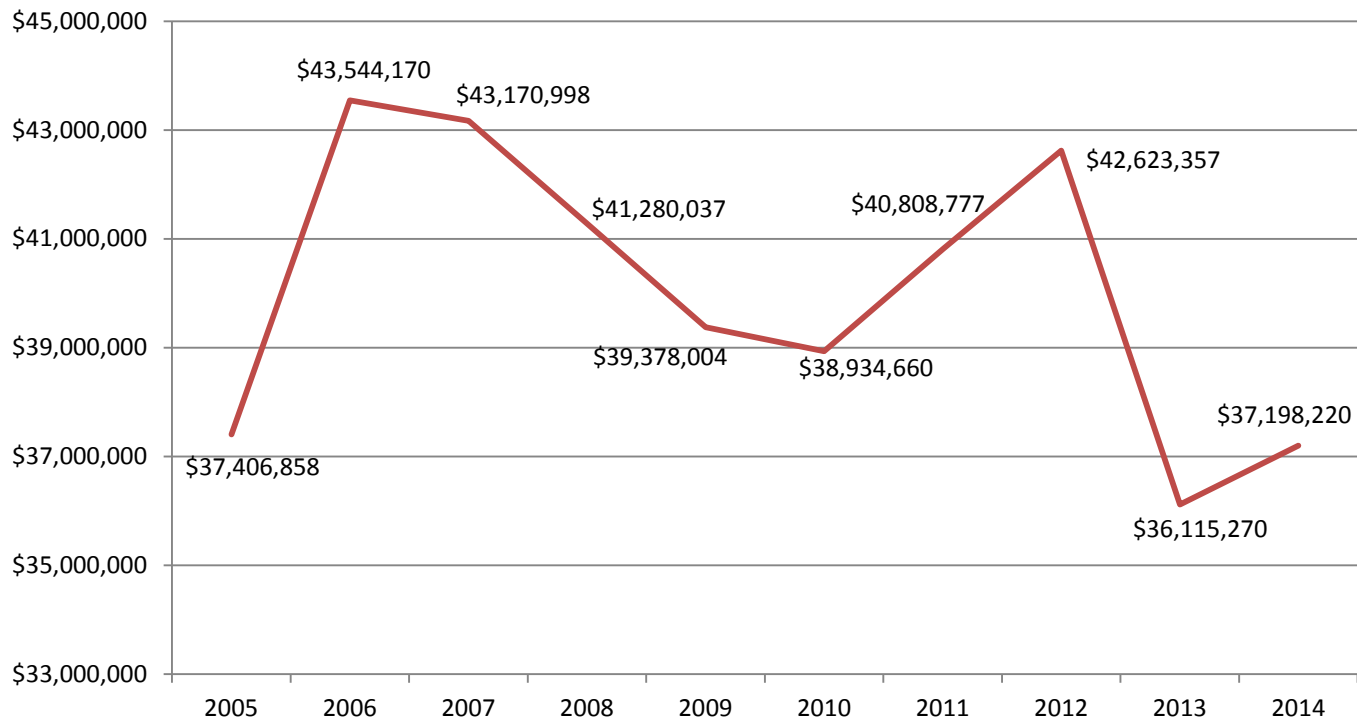
Local Option Sales Tax

City of Savannah, Georgia					
Local Option Sales Tax Statistics					
Last Ten Calendar Years					
Year	Total Chatham County Taxable Retail Sales Volume (000,000)		Annual Percent Change	LOST Revenues For City of Savannah	Annual Percent Change
2005	\$ 5,562		9.5%	\$ 37,406,858	8.1%
2006	6,464		16.2%	43,544,170	16.4%
2007	6,409		-0.9%	43,170,998	-0.9%
2008	6,128		-4.4%	41,280,037	-4.4%
2009	5,846		-4.6%	39,378,004	-4.6%
2010	5,780		-1.1%	38,934,660	-1.1%
2011	6,058		4.8%	40,808,777	4.8%
2012	6,328		4.4%	42,623,357	4.4%
2013	6,367		0.6%	36,115,270	-15.3%
2014	6,526		2.5%	37,198,220	3.0%

Local Option Sales Tax



City of Savannah LOST Revenues



General Fund Expenditure Results

- 2014 actual expenditures were \$4,262,380 below the original budget or 2.6%

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEARS ENDED DECEMBER 31

	2013 ACTUAL	2014 ORIGINAL BUDGET	2014 ACTUAL	2014 VARIANCE WITH BUDGET
EXPENDITURES:				
Current:				
General administration	4,407,234	4,345,588	4,162,057	183,531
Management and financial services	7,695,351	8,099,352	7,863,007	236,345
Public works	27,686,890	30,077,222	29,200,010	877,212
Police	60,645,804	62,161,053	60,199,081	1,961,972
Recorder's court	2,230,737	2,275,664	2,311,096	(35,432)
Fire	25,417,059	25,835,178	26,071,129	(235,951)
Leisure services	20,608,174	21,348,348	21,026,806	321,542
Tourism enhancement	1,819,335	2,639,088	2,680,182	(41,094)
Social and cultural	1,954,496	1,697,053	1,457,090	239,963
Community and economic development	7,585,531	6,194,671	7,502,940	(1,308,269)
Community development program and administration	18,040	2,100,000	37,439	2,062,561
Total expenditures	160,068,651	166,773,217	162,510,837	4,262,380

General Fund Actual Results

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEARS ENDED DECEMBER 31

	2013 ACTUAL	2014 ORIGINAL BUDGET	2014 ACTUAL	2014 VARIANCE WITH BUDGET
Excess (deficiency) of revenues over (under) expenditures	5,839,469	(1,449,744)	7,937,898	9,387,642
OTHER FINANCING SOURCES (USES):				
Transfers in	7,605,715	7,929,800	8,707,382	777,582
Transfers out	(13,061,493)	(6,480,056)	(15,746,003)	(9,265,947)
Total other financing sources (uses)	(5,455,778)	1,449,744	(7,038,621)	(8,488,365)
Net change in fund balance	\$ 383,691	\$ -	899,277	\$ 899,277
FUND BALANCE - JANUARY 1			33,885,347	
FUND BALANCE - DECEMBER 31			<u>\$ 34,784,624</u>	
		unassigned fund balance	\$ 32,510,102	
		total 2014 expenditures and transfers out	\$ 178,256,840	
		unassigned fund balance as a percent of total 2014 expenditures and transfers out	18.2%	

General Fund Balance

	Amounts expressed in thousands (000)									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Beginning Fund Balance	\$ 17,941	\$ 18,072	\$ 19,911	\$ 21,711	\$ 21,972	\$ 22,928	\$ 23,388	\$ 33,180	\$ 33,502	\$ 33,885
Total Revenues and Transfers In	147,303	163,437	172,339	173,563	172,744	170,754	173,879	176,064	173,514	179,156
Total Expenditures and Transfers Out	147,172	161,599	170,539	173,302	171,788	170,295	164,087	175,742	173,130	178,257
Net Revenue	131	1,839	1,800	261	956	459	9,792	322	384	899
Ending Fund Balance	\$ 18,072	\$ 19,911	\$ 21,711	\$ 21,972	\$ 22,928	\$ 23,388	\$ 33,180	\$ 33,502	\$ 33,885	\$ 34,785
Total Fund Balance as a Percent of Total Expenditures and Transfers Out	12.3%	12.3%	12.7%	12.7%	13.3%	13.7%	20.2%	19.1%	19.6%	19.5%

General Fund Reserves

- How do Savannah's reserves compare to other cities?
 - ❖ Two types of comparables used:
 - Similar sized local governments in Georgia
 - Columbus, Ga
 - Macon, Ga
 - Augusta, Ga
 - Athens, Ga
 - Southeastern tourist destinations
 - City of Asheville, NC
 - County of Charleston, SC
 - City of Jacksonville, FL



General Fund Reserves

General Fund Balances of Comparable Local Governments

		Unassigned Fund Balance as a Percent of Expenditures and Transfers Out	Total Expenditures and Transfers Out	Unassigned Fund Balance	Moody's General Obligation Bond Rating
	As of				
City of Jacksonville, FL	2014	8.9%	\$ 1,011,736,000	\$ 90,488,000	Aa2
Macon, Ga	2014	10.0%	76,255,405	7,647,825	Aa2
Augusta, Ga	2014	11.6%	157,007,354	18,183,857	Aa2
Columbus, Ga	2014	11.9%	189,530,249	22,535,920	Aa1
City of Asheville, NC	2014	16.8%	89,697,917	15,040,899	Aa2
City of Savannah	2014	18.2%	178,256,840	32,510,102	Aa2
Athens, Ga	2014	19.2%	105,681,061	20,290,307	Aa1
County of Charleston, SC	2014	23.3%	189,275,894	44,085,313	Aaa

Note: 1) GFOA recommendation is two months of reserves or 16.67%

2) City of Savannah reserves shown do not include the Sales Tax Stabilization Fund.

These additional reserves total \$5,501,000 and would increase the percent of reserves to 21.3%.

General Fund Supported Debt Obligations as of 12/31/2014

				Original Issue Amount	Unmatured Bond/Interest at 12/31/14	2015	2016	2017	2018	2019	2020-2033
GOVERNMENTAL ACTIVITIES PRINCIPAL PORTION											
Contractual Obligations Related to:											
2009 Downtown Savannah Authority Bonds Series "A"				\$16,845,000	\$ 7,935,000	\$1,895,000	\$1,950,000	\$2,015,000	\$2,075,000	\$ -	\$ -
2009 Downtown Savannah Authority Bonds Series "B"				20,155,000	8,270,000						\$ 8,270,000
2014 Downtown Savannah Authority Bonds				9,970,000	9,160,000	745,000	755,000	770,000	785,000	795,000	5,310,000
Total Contractual Obligations				46,970,000	25,365,000	2,640,000	2,705,000	2,785,000	2,860,000	795,000	13,580,000
GOVERNMENTAL ACTIVITIES INTEREST PORTION											
Contractual Obligations					9,731,722	997,730	925,980	852,380	771,492	683,168	3,050,137
Total Governmental Activities Interest Portion					9,731,722	997,730	925,980	852,380	771,492	683,168	3,050,137
Total Governmental Activities Debt Service Requirements					\$35,096,722	\$3,637,730	\$3,630,980	\$3,637,380	\$3,631,492	\$1,478,168	\$16,630,137

SPLOST 2003-2008

- Life-to-Date Results as of 12/31/2014



Revenues:		
	SPLOST Tax Collections	\$ 98,839,627
	Interest Earnings	6,829,662
	Total revenues	<u>105,669,289</u>
Expenditures:		
	Savannah Roads, Sidewalks and Drainage	47,160,417
	Parks, Recreation and Squares	17,551,064
	Other Capital Outlay	15,501,851
	Public Safety Equipment	1,241,500
	Total expenditures	<u>81,454,832</u>
Current revenue/expense difference		<u>\$ 24,214,457</u>
Project budgets currently on the books		\$ 23,996,310
Current unprogrammed funds		\$ 218,147

SPLOST 2009-2014

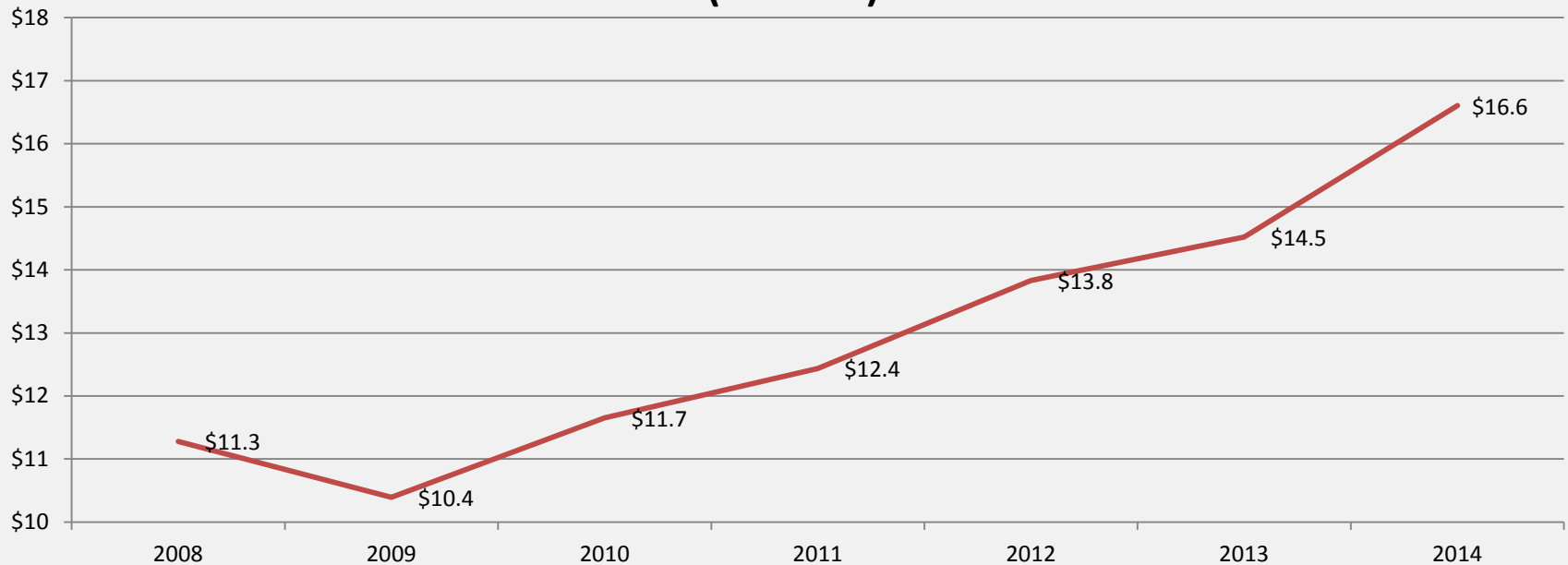
- Life-to-Date Results as of 12/31/2014



Revenues:		
	SPLOST Tax Collections	\$ 118,655,263
	Interest Earnings	65,569
	Total revenues	118,720,832
Expenditures:		
	Savannah Roads, Sidewalks and Drainage	19,336,032
	Parks, Recreation and Squares	17,374,782
	Other Capital Outlay	792,463
	Public Safety Equipment	16,095,969
	Total expenditures	53,599,246
Current revenue/expense difference		\$ 65,121,586
Project budgets currently on the books		\$ 65,033,320
Current unprogrammed funds		\$ 88,266

Tourism Related Funds

**Annual Hotel/motel Tax Collections
(millions)**



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Hotel/motel taxes	\$ 11,276,743	\$ 10,391,363	\$ 11,651,576	\$ 12,437,704	\$ 13,832,546	\$ 14,521,824	\$ 16,603,643
Auto rental taxes	\$ 1,426,218	\$ 1,257,186	\$ 1,225,691	\$ 1,251,775	\$ 1,366,525	\$ 1,379,212	\$ 1,622,244

Tourism Related Funds

- How are hotel/motel taxes used?
 - State law governs the use of the funds
 - Distributed per agreements with the Savannah Area Chamber of Commerce and the Trade Center

**CITY OF SAVANNAH, GEORGIA
SCHEDULE OF HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Amount</u>	<u>Amount as a % of Revenue</u>
Hotel/Motel tax cash receipts	\$ 16,603,643	
Expenditures made to:		
City of Savannah General Fund	\$ 8,301,821	50.00%
Convention and Visitors Bureau	\$ 5,533,994	33.33%
Georgia International & Maritime Trade Center	\$ 2,280,779	13.74%
Savannah Civic Center	\$ 487,049	2.93%



Tourism Related Funds

- How are auto rental taxes used?

CITY OF SAVANNAH, GEORGIA

SCHEDULE OF REVENUES AND EXPENDITURES/EXPENSES - RENTAL MOTOR VEHICLE TAX FOR THE YEAR ENDED DECEMBER 31, 2014

During 2014, the City collected rental motor vehicle excise tax as authorized in O.C.G.A. 48-13-93.

	<u>Amount</u>	<u>Amount as a % of Revenue</u>
Rental motor vehicle tax	\$ 1,622,244	
Transfers made to:		
General Fund	\$ 405,561	25.00%
Civic Center Fund	\$ 1,216,683	75.00%

Federal Grant Expenditures



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31

Grantor/Program Title	2012	2013	2014
Community Development Block Grant	\$ 2,194,226	\$ 2,839,359	\$ 2,317,908
Neighborhood Stabilization Program	995,890	1,116,348	676,061
Emergency Shelter Grants Program	70,671	106,251	213,197
Housing Opp. for Persons with AIDS	282,058	318,034	345,744
HOME Investment Partnerships Program	3,367,066	1,306,671	1,657,233
Shelter Plus Care	280,207	444,706	440,805
Lead Based Paint Hazard Control	737,641	468,415	57,121
Summer Food Service Program for Children	403,944	353,085	381,329
Public Safety grants for police and fire	1,555,380	901,761	1,131,679
Community and economic development	8,348,170	5,271,427	3,833,222
Environment and energy efficiency	599,016	330,265	81,785
	<u>\$ 18,834,269</u>	<u>\$ 13,456,322</u>	<u>\$ 11,136,084</u>
City Matching Funds	\$ 2,736,380	\$ 2,840,945	\$ 1,357,602

Pension Fund Development

CITY OF SAVANNAH, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
As of December 31

ASSETS	2008	2009	2010	2011	2012	2013	2014
Cash and misc assets	\$ 10,509,813	\$ 11,392,770	\$ 7,322,715	\$ 5,704,060	\$ 4,586,686	\$ 5,062,268	\$ 7,140,651
Investments, at fair value:							
U.S. government obligations	34,880,656	34,605,035	45,828,083	45,048,670	46,563,534	49,445,558	66,956,100
Foreign corporate bonds	6,612,920	9,953,063	8,276,441	6,552,804	5,274,547	3,310,844	3,093,289
Domestic corporate bonds	30,008,059	30,461,675	28,050,039	25,218,242	20,585,435	17,874,586	25,116,025
Domestic stocks	64,728,368	82,292,552	94,019,157	90,709,660	102,910,820	132,245,943	133,202,052
Domestic stock fund	14,237,687	18,105,475	22,979,954	22,106,477	27,538,029	37,095,741	35,039,683
Foreign stocks	1,419,591	955,899	1,068,930	2,177,677	3,334,611	4,357,123	7,021,516
International stock fund	15,590,508	20,338,504	22,785,867	19,718,778	29,267,325	35,935,048	30,291,884
Real estate fund	25,852,339	15,262,566	18,311,852	28,861,987	28,023,910	29,101,169	24,205,581
Total investments	193,330,128	211,974,769	241,320,323	240,394,295	263,498,211	309,366,012	324,926,130
Total assets	203,839,941	223,367,539	248,643,038	246,098,355	268,084,897	314,428,280	332,066,781
LIABILITIES AND NET POSITION							
Liabilities:							
Payable from restricted assets:							
Accounts payable	\$ 202,090	\$ 226,218	\$ 318,641	\$ 307,990	\$ 251,572	\$ 298,648	\$ 312,531
Total liabilities	202,090	226,218	318,641	307,990	251,572	298,648	312,531
Net Position:							
Held in trust for pension benefits	<u>\$ 203,637,851</u>	<u>\$ 223,141,321</u>	<u>\$ 248,324,397</u>	<u>\$ 245,790,365</u>	<u>\$ 267,833,325</u>	<u>\$ 314,129,632</u>	<u>\$ 331,754,250</u>
Actuarial Funded Ratio	80.17%	83.20%	80.01%	72.81%	70.99%	74.09%	78.71%

Pension Fund

CITY OF SAVANNAH, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
As of December 31

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Additions							
Contributions:							
Employers	\$ 6,950,018	\$ 7,622,583	\$ 8,552,370	\$ 8,697,179	\$ 9,729,071	\$ 11,311,347	\$ 11,989,213
Plan members	6,819,028	7,162,288	6,791,553	6,391,357	6,676,022	6,687,095	6,656,241
Total contributions	13,769,046	14,784,871	15,343,923	15,088,536	16,405,093	17,998,442	18,645,454
Investment income:							
Interest	3,752,414	3,688,465	3,108,042	2,458,421	2,034,877	1,835,543	2,180,289
Dividends	2,009,351	1,802,504	1,881,332	2,185,159	2,495,429	2,692,696	2,838,333
Real estate net income	(5,569,902)	(11,135,913)	2,244,216	3,705,811	2,611,908	2,561,915	1,649,044
Net appreciation/depreciation	(56,836,816)	26,526,809	20,474,068	1,580,641	21,962,001	44,909,681	17,737,801
Total investment income	(56,644,953)	20,881,865	27,707,658	9,930,032	29,104,215	51,999,835	24,405,467
Less investment expense	743,731	587,815	746,810	771,994	794,684	923,325	1,012,344
Net investment income (loss)	(57,388,684)	20,294,050	26,960,848	9,158,038	28,309,531	51,076,510	23,393,123
Total additions	(43,619,638)	35,078,921	42,304,771	24,246,574	44,714,624	69,074,952	42,038,577
Deductions							
Benefits	13,371,059	14,306,954	15,566,772	24,748,994	20,620,735	21,108,006	22,121,380
Refunds of contributions	1,089,253	1,058,017	1,362,501	1,883,268	1,910,626	1,529,626	2,193,221
Administrative expense	128,797	210,480	192,422	148,344	140,303	141,013	99,358
Total deductions	14,589,109	15,575,451	17,121,695	26,780,606	22,671,664	22,778,645	24,413,959
Change in net position	(58,208,747)	19,503,470	25,183,076	(2,534,032)	22,042,960	46,296,307	17,624,618
Beginning of year - January 1	261,846,598	203,637,851	223,141,321	248,324,397	245,790,365	267,833,325	314,129,632
End of year - December 31	\$ 203,637,851	\$ 223,141,321	\$ 248,324,397	\$ 245,790,365	\$ 267,833,325	\$ 314,129,632	\$ 331,754,250

Pension Fund Performance

City of Savannah Employees Retirement Plan

Market Value

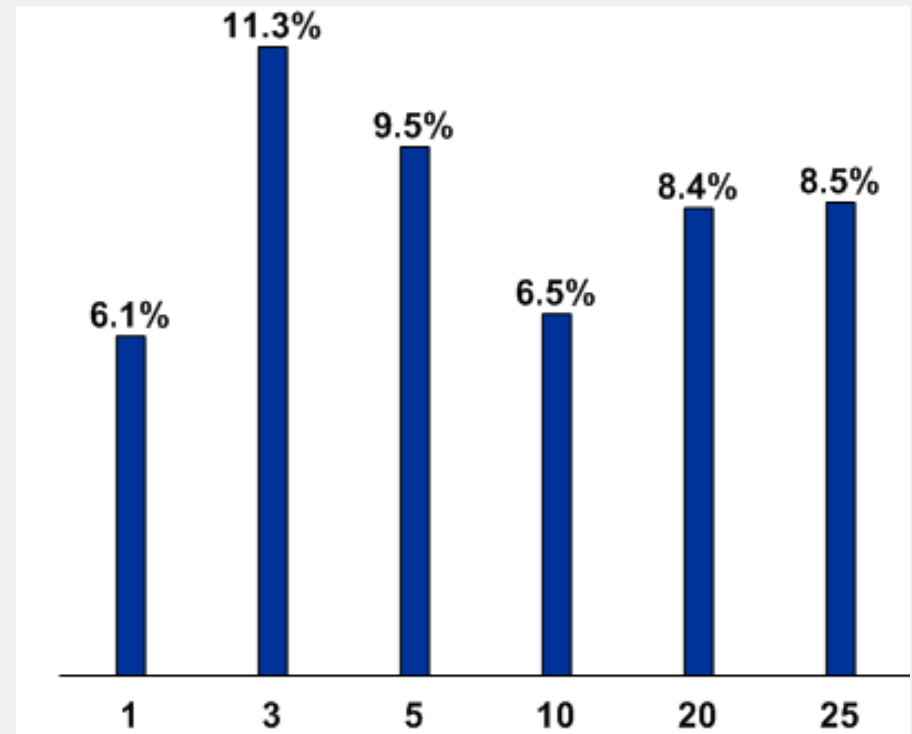
Investment Return

2005	4.97%
2006	11.85%
2007	6.45%
2008	-22.00%
2009	9.88%
2010	12.11%
2011	3.76%
2012	11.66%
2013	19.24%
2014	7.52%

Five year average return 10.81%

Ten year average return 6.34%

Median public pension annualized investment returns for period ended 12/31/2014



Source: Callan Associates

2014 Business-type Fund Results

CITY OF SAVANNAH, GEORGIA					
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION					
ENTERPRISE FUNDS					
YEAR ENDED DECEMBER 31, 2014					
	WATER AND SEWER	SANITATION	PARKING SERVICES	CIVIC CENTER	GOLF COURSE
OPERATING REVENUES:					
Metered sales	\$ 57,481,162	\$ -	\$ -	\$ -	\$ -
Charges for services	10,036,206	26,901,241			
Rental fees	290,764		12,330,872	1,066,625	
Recreation fees				441,963	
Miscellaneous	54,859	253,834	104,161		
Total operating revenues	67,862,991	27,155,075	12,435,033	1,508,588	0
OPERATING EXPENSES:					
Personal services	17,011,527	11,376,344	3,579,727	1,705,294	
Contractual services	13,051,041	4,268,742	3,225,259	1,137,633	
Commodities	5,157,641	1,659,514	256,268	179,488	
Internal service	5,401,894	3,110,077	724,492	384,479	
Landfill closure and post closure care		993,764			
Depreciation	12,727,055	1,190,668	1,735,365	409,810	68,427
Total operating expenses	53,349,158	22,599,109	9,521,111	3,816,704	68,427
Operating Income (Loss)	14,513,833	4,555,966	2,913,922	(2,308,116)	(68,427)
NONOPERATING REVENUES (EXPENSES):					
Interest earned	88,522	13,933			110
Interest expense	(732,689)	(341,169)	(1,189,148)	(15,125)	
Debt issuance costs	(235,841)				
Amortization	61,789	103,472	6,953	12,169	
Total nonoperating revenues (expenses)	(818,219)	(223,764)	(1,182,195)	(2,956)	110
Income (loss) before contributions and transfers	13,695,614	4,332,202	1,731,727	(2,311,072)	(68,317)
CAPITAL CONTRIBUTIONS	3,853,398	12,118	432,250		1,200,000
TRANSFERS IN				2,400,037	
Change in net position	17,549,012	4,344,320	2,163,977	88,965	1,131,683
Total net position - beginning	358,826,549	(5,195,019)	38,785,963	8,041,701	1,431,679
Total net position - ending	<u>\$ 376,375,561</u>	<u>\$ (850,699)</u>	<u>\$ 40,949,940</u>	<u>\$ 8,130,666</u>	<u>\$ 2,563,362</u>



BUDGET STATUS UPDATE

BASED ON SIX MONTHS ENDED JUNE 30TH

FY15 Adopted Budget



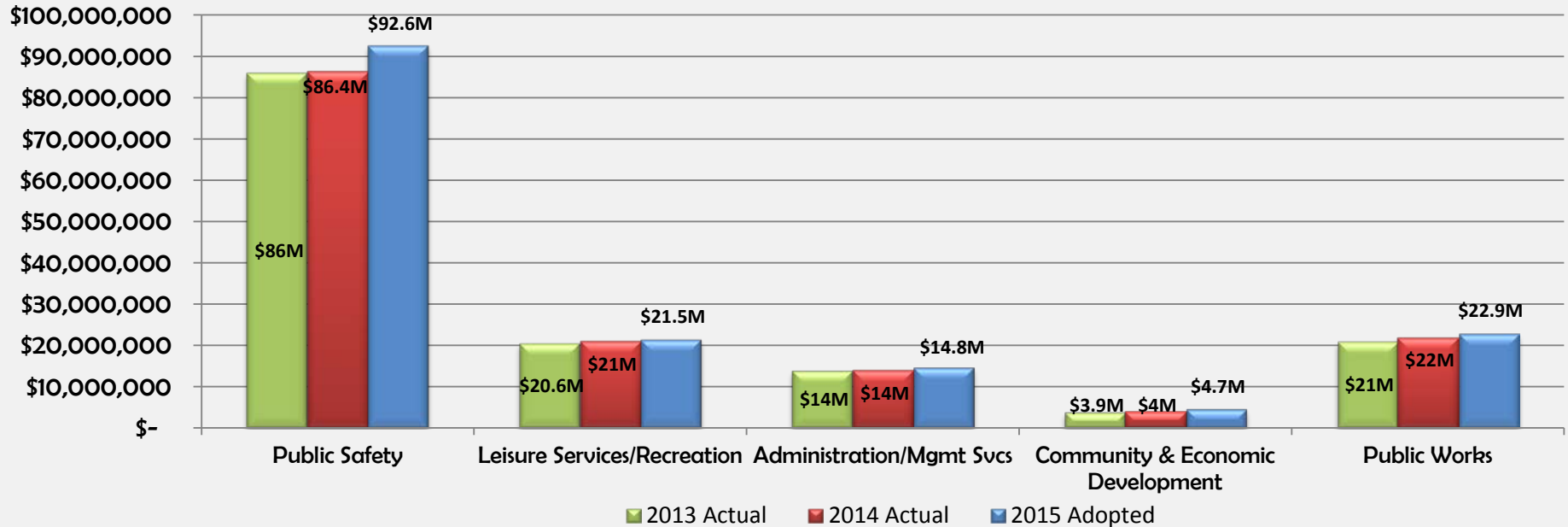
City of Savannah, Georgia
**2015 SERVICE PROGRAM
AND BUDGET**
2015-2019 Capital Improvement Program



- **Balanced Budget - \$347,526,779**
 - .4% below 2014 projected expenditures
- **Balancing Strategies**
 - **Projected Growth in Property Tax Digest**
 - **Projected Growth in Sales Tax Revenues**
 - **Prefunded \$1.3 Million in Capital Improvement Programming (2014 Expense)**
 - **Assumed County SCMPD reimbursement rate at 39% of total cost**

FY15 Adopted Budget

General Fund Expenditures by Priority Area



Competitive Wages & Benefits

- 2.5% General Wage Increase
- Compensation & Pay Study (FY14/15)
- Succession Planning
- Employee Retention & Development



Workforce Development

- Excellence in Customer Service
- Community Relations and Internships

FY15 General Fund Revenues

- **Trending 7.88% above 2014 as of June 30th**

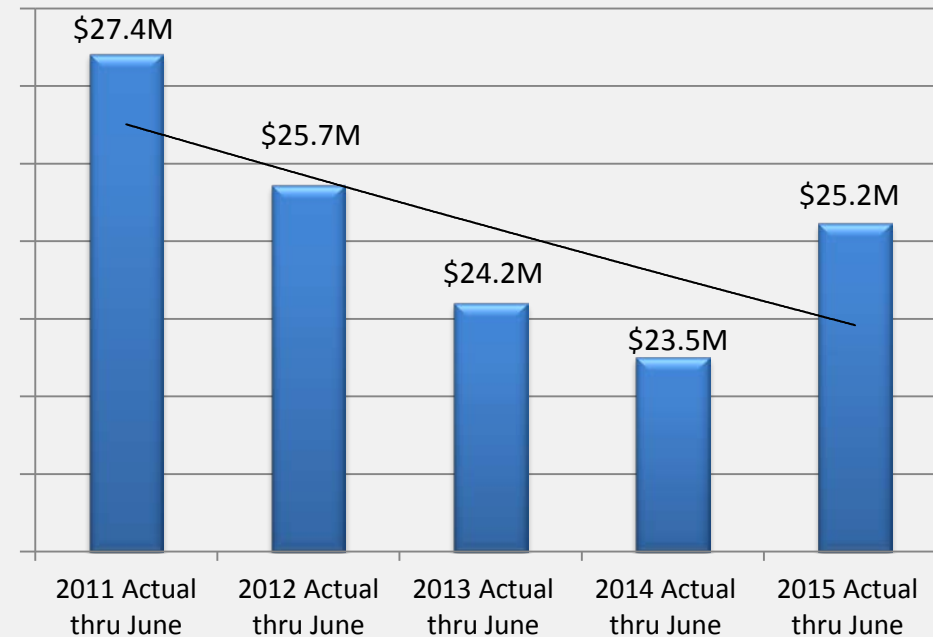


	<u>Actual as of June 30th</u>
2014 General Fund Revenue	\$ 77,729,880
2015 General Fund Revenue	<u>83,858,212</u>
Difference 2014 v 2015	<u>\$ 6,128,332</u>
Percentage change	7.88%

Property Taxes



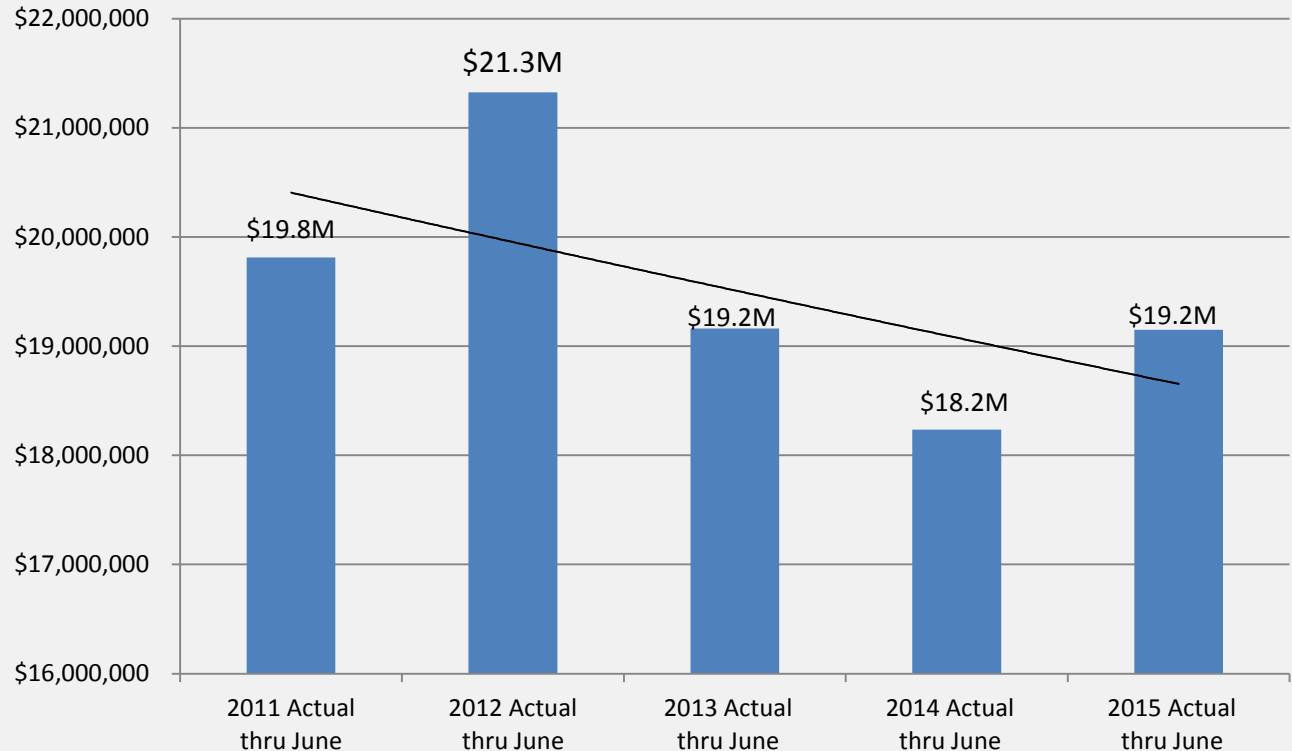
\$28,000,000
\$27,000,000
\$26,000,000
\$25,000,000
\$24,000,000
\$23,000,000
\$22,000,000
\$21,000,000



Revenue Impacts

- Growth in Tax Digest

Local-Option Sales Tax

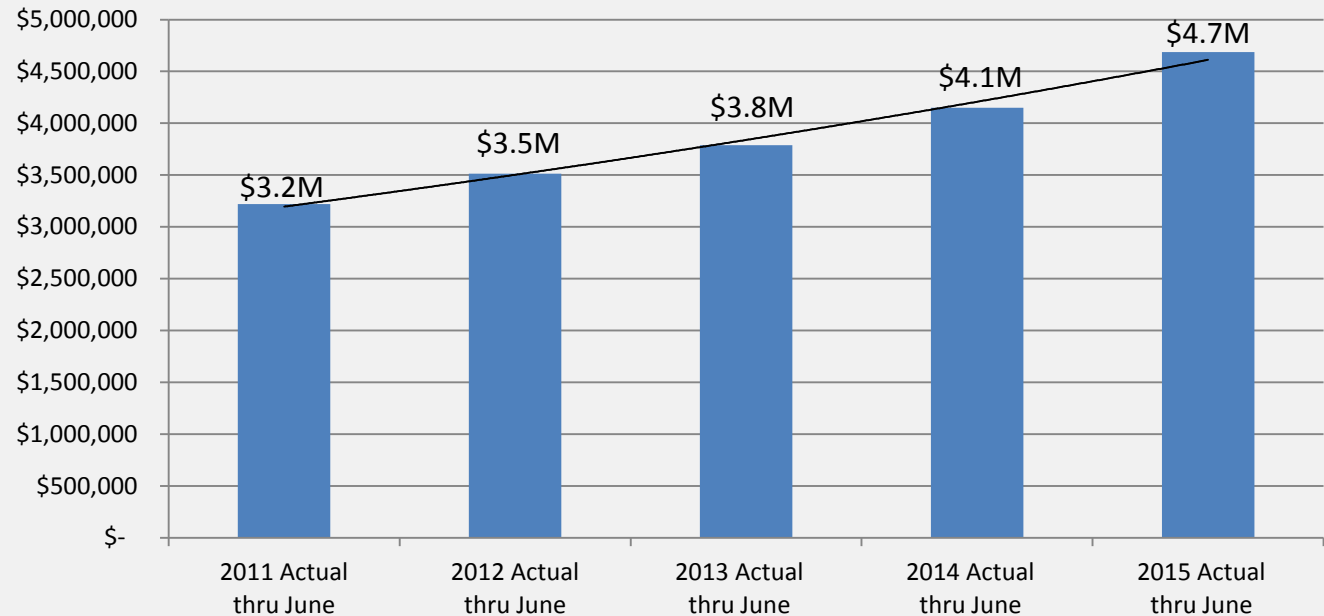


Revenue Impacts

- Increases in 2012 and 2015 due to growth in prices and spending
- Lower negotiated distribution % in 2013 and 2014
- Sales tax on vehicle sales phased out beginning 2013 (HB386)

Hotel/Motel & Auto Rental Tax

- **Current year trending 13% above last year**



Revenue Impacts

- Continued growth in tourism – Featured in New York Times, CBS “Sunday Morning”, Food & Wine Magazine, and the Daily Mail (London, England)
- Popular convention and event destination – Georgia Municipal Association, Xcel Gymnastics Regional Championships, American Physical Society – Division of Plasma Physics

FY15 Revenue Summary

- **Surpasses 2014 as of June 30th**
 - Due mainly to:
 - Property Taxes
 - Sales Tax
 - Other Taxes (alcohol, vehicles)
 - Development Services Fees
 - Hotel/Auto Rental Taxes

Detailed forecast for the year projects a \$5.8 million favorable variance over budget

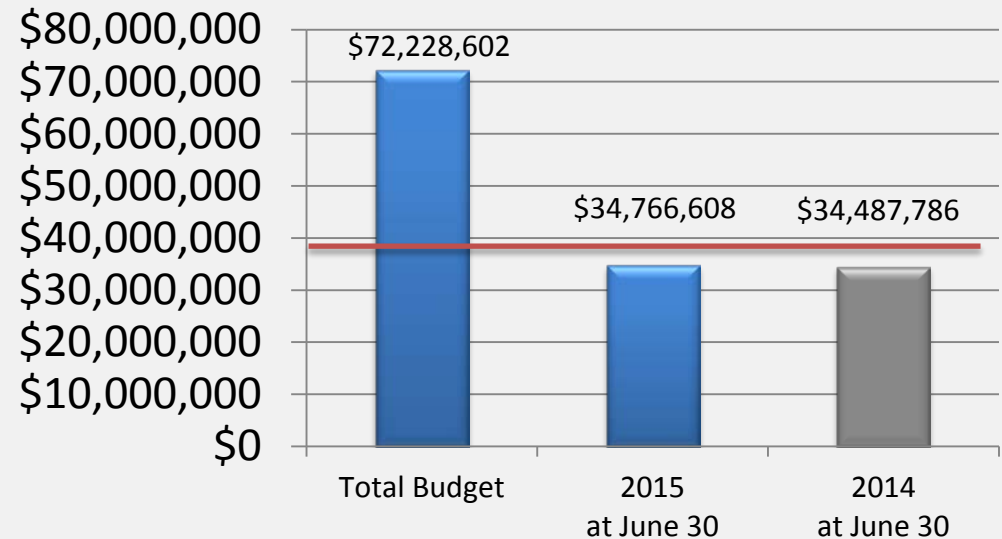
FY15 General Fund Expenditures

- **Trending 10.0% above 2014 as of June 30th**



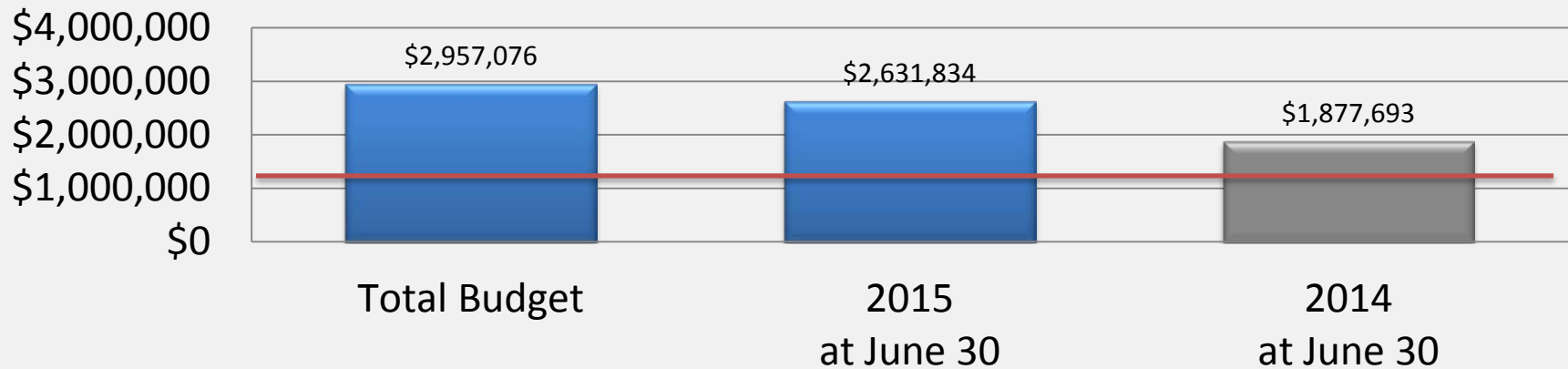
	<u>Actual as of June 30th</u>	
2014 General Fund Expenditures	\$	79,532,202
2015 General Fund Expenditures	\$	87,491,976
Difference 2014 v 2015	\$	<u>7,959,774</u>
Percentage change		10.00%

Personnel Costs



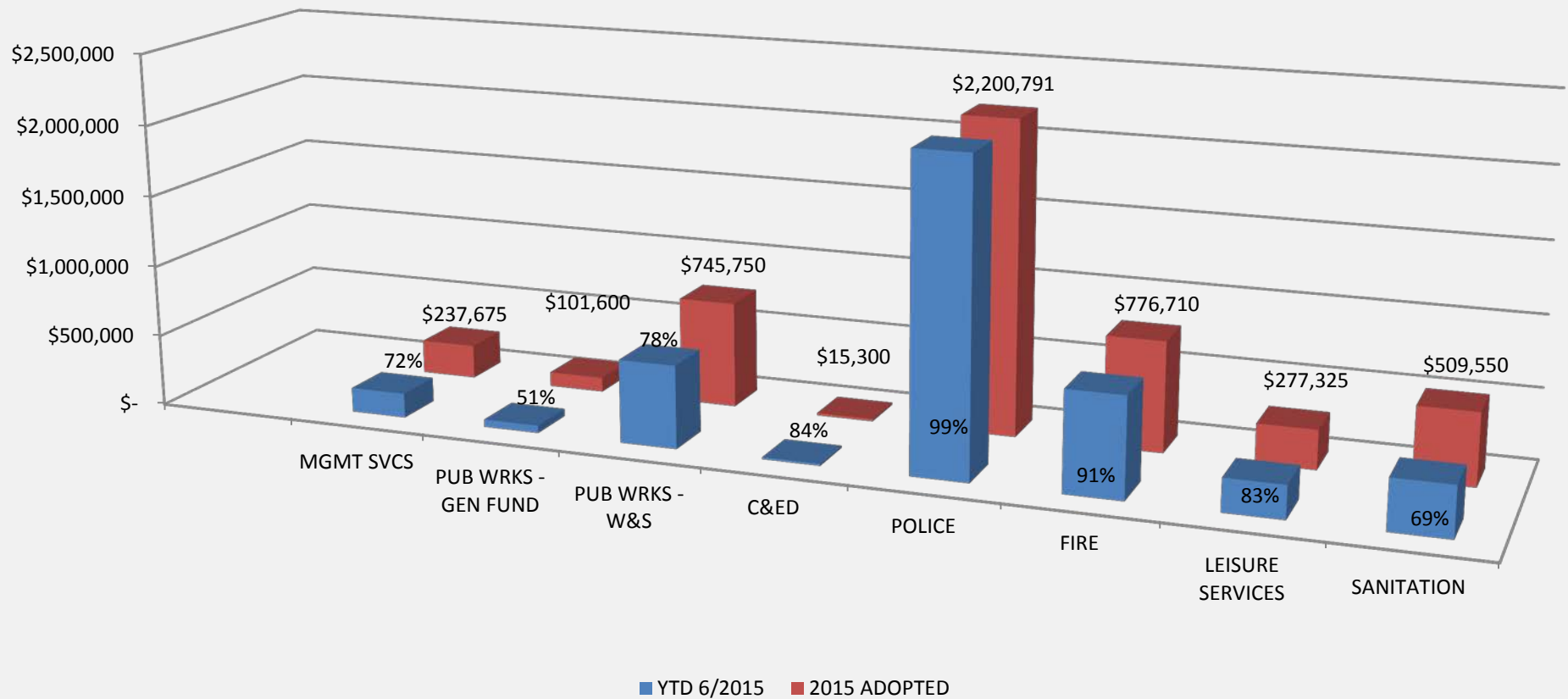
Overtime Expenditures

- **Current year unfavorable; trending \$754,142 over last year**



- **Police**
 - Patrol and Criminal Investigations significant
- **Fire Operations**
 - Lower than last year through June but trending over budget
- **Leisure Services**
 - Park & Tree
 - Building and Grounds

Overtime Expenditures by Bureau



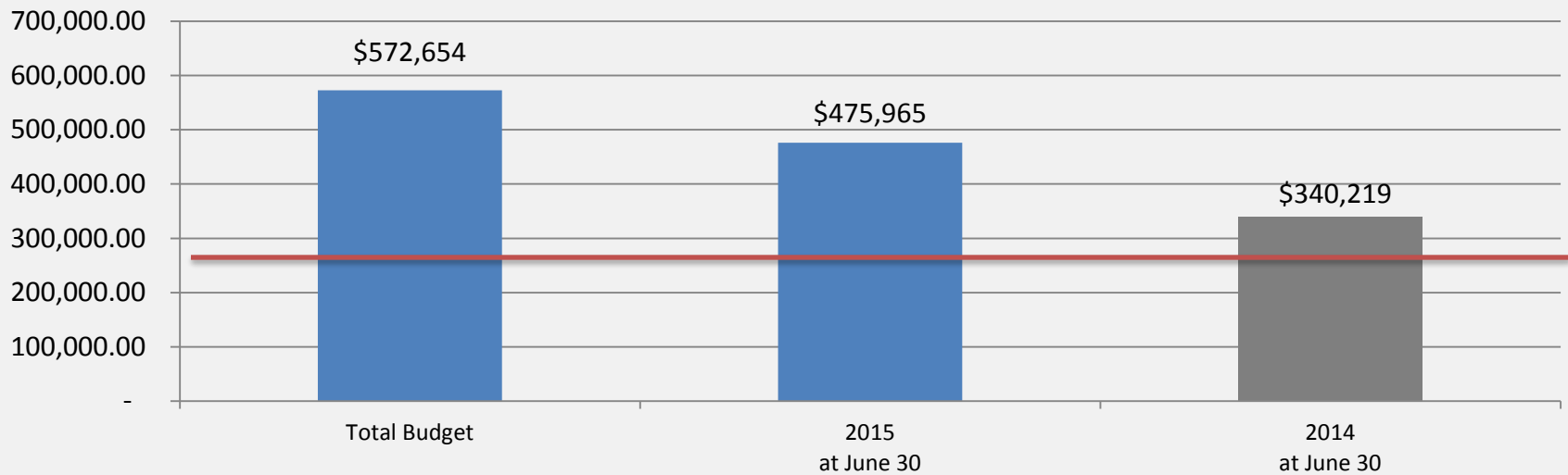
Vacancy Rates by Bureau

Full-Time Permanent Positions

Bureau	Jun-14			Jun-15		
	Budgeted FTEs	Vacant FTEs	Vacancy Rate	Budgeted FTEs	Vacant FTEs	Vacancy Rate
General Administration	41	3	7%	45	6	13%
Management Svcs	262.8	35	13%	264.05	18.5	7%
Community Development	99.25	15	15%	98.25	8	8%
Leisure Svcs	281.43	35.79	13%	286.33	22.11	8%
Police	833	99	12%	833	88	11%
Fire & Emergency Svcs	329	29	9%	343	24	7%
Public Works	199	9	5%	200	22	11%
Sanitation	218	15	7%	218	20	9%
Water & Sewer	303	41	14%	303	41	14%
Total	2566.48	281.79	11%	2590.63	249.61	10%

Temporary Labor - Agency

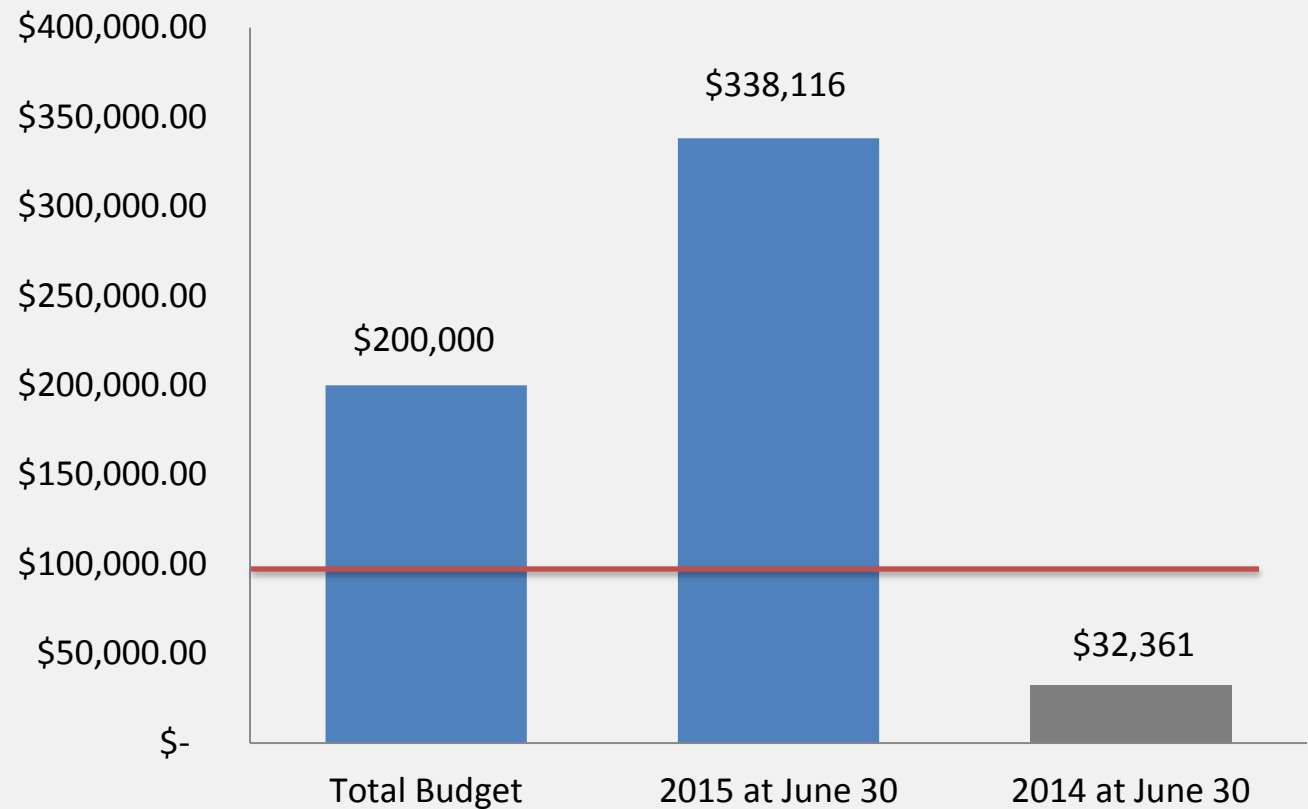
Temp Labor – Agency is unfavorable by \$135,746 over last year



Department	2015 Budget	2015 YTD Expenses	Department	2015 Budget	2015 YTD Expenses
Human Resources	\$5,000	\$15,760	Animal Control	\$3,000	\$28,813
Auditing	\$0	\$641	Police Admin Services	\$5,000	\$9,218
Recorder's Court	\$5,000	\$16,286	Patrol and Special Ops	\$0	\$2,208
Research Library	\$10,354	\$11,499	City Cemeteries	\$17,000	\$29,535
Traffic Engineering	\$0	\$25,107	Building and Grounds	\$37,425	\$37,716
Streets Maintenance	\$0	\$6,414	Building and Electrical Maint.	\$0	\$4,147

Prisoner Medical Costs

Current year expenditures are \$305,754 higher YTD than June 2014



Major Drivers of Prisoner Medical

YEAR 2014

POSTING MONTH	VENDOR	AMOUNT PAID
May	Monthly Total	32,360.90
July	Monthly Total	51,019.71
August	Monthly Total	53,560.06
October	Monthly Total	73,488.90
December	Monthly Total	541.57
GRAND TOTAL - YEAR 2014		\$ 210,971.14

2014 ADOPTED BUDGET - \$200,000.00

YEAR 2015 - As of June 30, 2015

POSTING MONTH	VENDOR	AMOUNT PAID
February	Monthly Total	92,447.60
March	Monthly Total	5,820.00
April	Monthly Total	105,879.38
June	Monthly Total	133,968.81
GRAND TOTAL - YTD 2015		\$ 338,115.79

2015 ADOPTED BUDGET - \$200,000.00

Cost Monitoring Procedures

- Closely monitored on weekly basis
 - Enhanced communication between Police Chief's Office, Police Administrative Services, and Research and Budget staff
 - Monitoring of transaction postings to ensure all are City of Savannah obligations

FY15 Expenditure Summary

- Based on first half of 2015 - **\$1,682,565** above budget
 - Increases
 - Overtime
 - Temporary Labor
 - Prisoner Medical
 - Decreases
 - Base Wages
 - Vacancies and Turnover

Grant Funding Open Projects

- **Currently administering 12 open projects - \$2,796,827**

*****Does not Include Formulary CDBG or GDOT Funding*****



Project Description	Total Project Cost	Bureau/ Department
Bonaventure Historical Society Cemetery Preservation	\$15,360	Leisure Services
Fire Boat	1,600,000	Fire
Wayfinding and Directional Signage in Downtown Savannah	40,000	Tourism & Ambassadorship
Purchase of 2 Bomb Squad SUVs	100,000	Police

Grant Funding Pending Applications

13 Applications requesting \$5,131,316 have been submitted for funding during FY15

Project Description	Total Project Cost	Bureau
Hiring of Additional Firemen	\$3,552,000	Fire
Marine Firefighting Training	119,850	Fire
City-wide Fire Prevention and Arson Investigations	125,886	Fire
Bullet Proof Vest Replacement	65,798	Police
MDT Replacement	84,386	Police
Targeted Highway Enforcement	287,360	Police
Bomb Squad Equipment Purchase	157,696	Police
Violent Gang and Gun Reduction/ Project Safe Neighborhoods	115,000	Police
Staffing to Support Youth Engagement Programming	84,600	C&ED
Woodville Dundee Canal Walking Trail	98,740	C&ED
Summer Lunch– Bright from the Start	400,000	Leisure Services
Snacks for After-School Youth Programs	10,000	Leisure Services
Wayfinding and Directional Signage	30,000	Tourism and Ambassadorship

Revenue and Expense Summary

Updated revenue and expense projections for the General Fund show a 2015 surplus

	Adopted Budget	Updated Projection	Variance
2015 Revenue	\$180,776,531	\$186,611,969	\$5,835,438
2015 Expenses	\$180,776,531	\$182,459,096	\$(1,682,565)
General Fund Surplus			\$4,152,873

- **Unbudgeted 2015 Expenditures**
 - Liberty Street Property Acquisition and Renovations (\$5.3M)
 - Storm Sewer Cave-In (\$500k)
 - Other Property Acquisitions Under Consideration (\$2.6M)

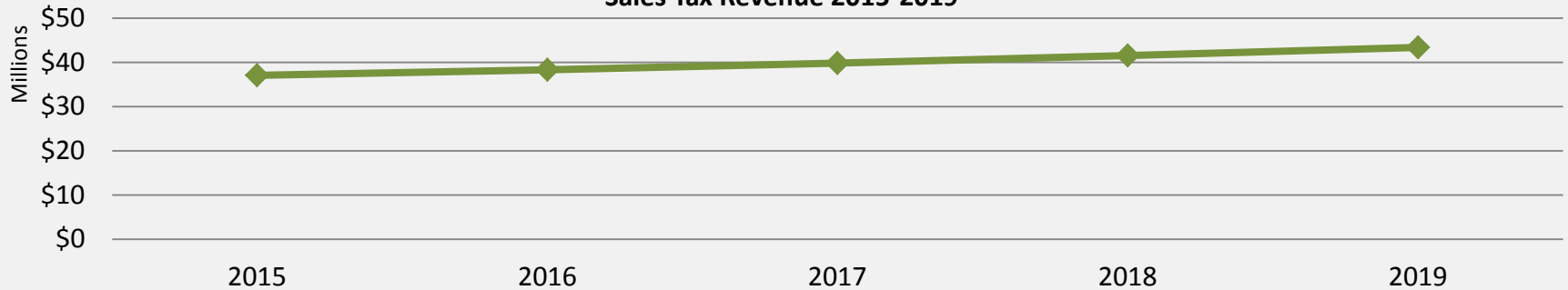
Five Year Forecast

Revenue Growth 2015-2019

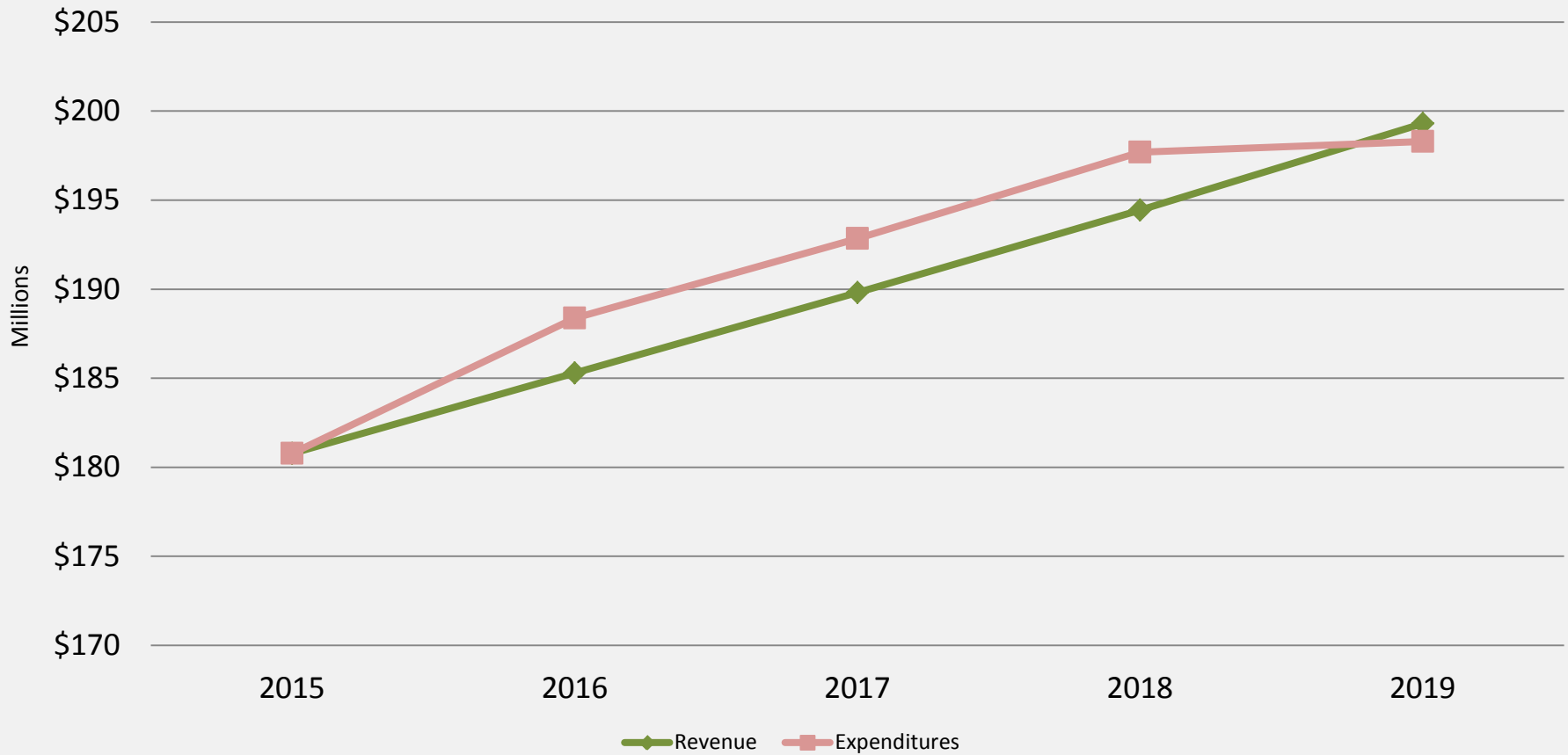
Property Taxes Revenue 2015-2019



Sales Tax Revenue 2015-2019



Five Year Forecast General Fund 2015-2019

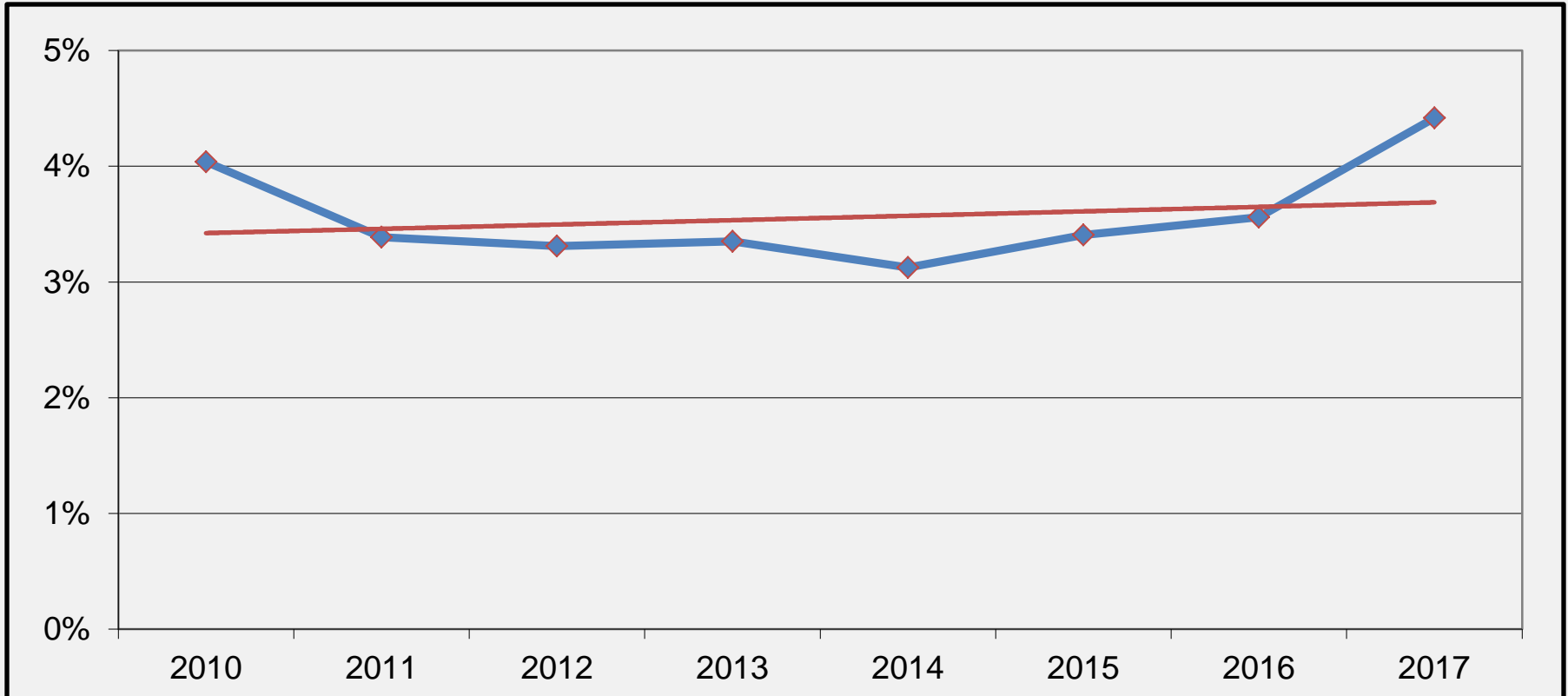


2015/2016 Budgetary Challenges

- **Implementation of Compensation and Pay Study**
- **Maintaining Capital Improvement Program Funding at \$3-5 Million per Year**
- **Building & Infrastructure Preventative Maintenance**
- **Debt Service Levels**
- **Funding Public Safety Needs**
- **Rising Prisoner Medical Expenses**
- **Freeport Inventory Tax Exemption**



Debt Service as % of Total Revenues



Note: 2015 and 2016 Debt Service and Total Revenues represent projections at time of presentation.

QUESTIONS?